

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 231 AND 267
INDIANAPOLIS, INDIANA

January 1, 2003 to December 31, 2003



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OFFICIALS

Office

Official

Term

Chairman, Bureau of Motor
Vehicles Commission

Mr. Gerald Coleman
Ms. Mary DePrez

01-06-02 to 02-29-04
03-01-04 to 01-05-05

Branch Manager

Mrs. Paula Z. Kieffer
Mr. David Martin (Interim)
Ms. Patricia Welch

01-01-03 to 03-07-04
03-08-04 to 06-27-04
06-28-04 to 12-31-04



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Numbers 231 and 267 (Branch) for the period of January 1, 2003, to December 31, 2003. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 12, 2004

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 231 AND 267
 INDIANAPOLIS, INDIANA
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
 January 1, 2003 to December 31, 2003

	Branch Number 231	Branch Number 267	Totals (Memorandum Only)
Collections:			
Registrations	\$ 8,371,232	\$ 562,100	\$ 8,933,332
Titles	1,560,328	-	1,560,328
Drivers Licenses	486,566	-	486,566
Watercraft	104,905	-	104,905
Miscellaneous	<u>4,079</u>	<u>-</u>	<u>4,079</u>
Totals	<u>\$ 10,527,110</u>	<u>\$ 562,100</u>	<u>\$ 11,089,210</u>
Distributions:			
State Fees	\$ 3,131,482	\$ 102,025	\$ 3,233,507
County Tax	6,297,502	414,435	6,711,937
Commission Fees	<u>1,098,126</u>	<u>45,640</u>	<u>1,143,766</u>
Totals	<u>\$ 10,527,110</u>	<u>\$ 562,100</u>	<u>\$ 11,089,210</u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 231 AND 267
INDIANAPOLIS, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles and drivers licenses are sold. Fees are uniform throughout the state. The following taxes are collected by the branches: excise tax, surtax, wheel tax, and use tax.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

Note 4. Self-Service Terminal

This report contains financial and statistical information for both Indianapolis License Branch Number 231 and Lawrence Branch Number 267, a self-service terminal (SST). The manager of Indianapolis License Branch Number 231 is responsible for maintaining the SST.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 231 AND 267
 INDIANAPOLIS, INDIANA
 STATISTICAL INFORMATION
 January 1, 2003 to December 31, 2003

<u>Transactions Processed</u>	<u>Branch Number 231</u>	<u>Branch Number 267</u>	<u>Totals (Memorandum Only)</u>
Vehicle Registrations:			
Passenger	52,999	3,981	56,980
Motorcycle	1,317	106	1,423
RV (Housecar)	348	13	361
Light Truck	10,223	718	10,941
Other Truck	378	8	386
Farm Truck	3	-	3
Tractor	25	1	26
Trailer	2,219	164	2,383
Semi-Trailer	68	-	68
School and Church Bus	59	3	62
Other Bus	28	-	28
Other	15	-	15
	<u>67,682</u>	<u>4,994</u>	<u>72,676</u>
Total Vehicle Registrations	<u>67,682</u>	<u>4,994</u>	<u>72,676</u>
Drivers Licenses and Permits:			
Drivers Licenses/Learners Permits	20,331	-	20,331
CDL Licenses/CDL Permits	1,134	-	1,134
Placards	2,493	-	2,493
Other	16,120	-	16,120
	<u>40,078</u>	<u>-</u>	<u>40,078</u>
Total Drivers Licenses and Permits	<u>40,078</u>	<u>-</u>	<u>40,078</u>
Titles:			
Vehicles	29,545	-	29,545
Watercraft	350	-	350
	<u>29,895</u>	<u>-</u>	<u>29,895</u>
Total Titles	<u>29,895</u>	<u>-</u>	<u>29,895</u>
Total Watercraft Registrations	<u>1,010</u>	<u>-</u>	<u>1,010</u>

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 231 AND 267
INDIANAPOLIS, INDIANA
EXAMINATION RESULTS AND COMMENTS

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2003. In January 2004, we tested the accuracy of this inventory. Several items were inaccurately listed on the inventory and some items were not included on the inventory at all.

Some of the problems involved listing two or three series of plates as a single series. In one instance, the inventory listed 626 more Truck 30,000 plates than were on hand. In addition to this error, we found fourteen more Truck 30,000 plates that were not listed. There were several boxes of Heritage Trust plates that appeared to be counted initially, but were not listed on the inventory presented for audit.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 3, 2003, from the Audit Services Director)

AFFIDAVIT OF ELIGIBILITY FOR MUNICIPALLY OWNED LICENSE PLATES

Affidavits of eligibility for municipally owned license plates (State Form 45616) were not on file at the Branch.

An affidavit of eligibility for municipally owned license plates (State Form 45616) must be completed or on file for each municipal unit issued a municipal license plate. (Bureau of Motor Vehicles Registration Manual)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 231 AND 267
INDIANAPOLIS, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on November 19, 2004, with Mrs. Paula Z. Kieffer, former Branch Manager.

The contents of this report were discussed on November 19, 2004, with Ms. Patricia Welch, Branch Manager; and Ms. Mary Ann Bohannon, Team Leader. The official response has been made a part of this report and may be found on Page 9.



Bureau of Motor Vehicles Commission

Marion County License Branch

8015 L Pendleton Pike
Indianapolis, Indiana 46226
Telephone 317 898-4100

To: State Board of Accounts

From: Mary Ann Bohannon Teamleader and Patti Welch Branch Manager

Date: 11/30/2004

This is the official response to the audit performed in our branch for the period of 01/01/2003 to 12/31/2003.

During the last several months we have had different teams that have been assigned to come in and reorganize the branch. During this process all plates were recounted, all file cabinets were cleaned out and our storage room completely revamped. I don't disagree that some of the reorganization wasn't needed, but questions should have been ask of management before files were discarded. One of the files discarded was the one that contained the affidavits for municipally owned license plates. We became aware of this about six months ago and since then an affidavit has been completed for each plate that has been issued.

I know that this will not remove the reprimand from the audit, but this occurred without the knowledge of Lawrence License Branch personell.

Thank you for your cooperation

Mary Ann Bohannon and Patti Welch

Teamleader

Branch Manager